

1969

ANNUAL REPORT

OF

The Belt Railway Company

of **CHICAGO**

FOR THE

YEAR ENDED DECEMBER 31, 1969

BOARDS

MRB

652.0973

B419a

General Offices
6900 South Central Avenue
Chicago, Illinois 60638

ORGANIZATION

DIRECTORS

J. C. DAVIS, The Atchison, Topeka and Santa Fe Railway Co. Chicago, Ill.
W. N. ERNZEN, Burlington Northern, Inc. St. Paul, Minn.
C. V. COWAN, The Chesapeake and Ohio Railway Co. Baltimore, Md.
H. S. VIERLING, Chicago & Eastern Illinois Railroad Co. Chicago, Ill.
W. J. DIXON, Chicago, Rock Island and Pacific Railroad Co. Chicago, Ill.
G. W. MAXWELL, Erie Lackawanna Railway Co. Cleveland, Ohio
C. A. DOBBINS, Grand Trunk Western Railroad Co. Detroit, Mich.
O. H. ZIMMERMAN, Illinois Central Railroad Co. Chicago, Ill.
R. E. BISHA, Louisville and Nashville Railroad Co. Louisville, Ky.
S. T. BROWN, Monon Railroad Chicago, Ill.
R. F. DUNLAP, Norfolk and Western Railway Co. Roanoke, Va.
K. E. SMITH, Penn Central Transportation Co. Chicago, Ill.
J. D. BOND, Soo Line Railroad Co. Minneapolis, Minn.

Changes during period between Annual Reports:

CHICAGO & EASTERN ILLINOIS RAILROAD COMPANY

Mr. H. S. Vierling elected August 12, 1969 succeeding Mr. D. L. Manion, resigned.

GRAND TRUNK WESTERN RAILROAD COMPANY

Mr. C. A. Dobbins elected May 13, 1969 succeeding Mr. J. W. Demcoe, resigned.

LOUISVILLE AND NASHVILLE RAILROAD COMPANY

On June 4, 1969 acquired 2400 shares of the capital stock of The Belt Railway Company of Chicago and became one of the Belt Company's owner lines.

Mr. R. E. Bisha elected August 12, 1969.

MONON RAILROAD

Mr. S. T. Brown elected May 13, 1969 succeeding Mr. H. J. Buchman, deceased.

NORFOLK AND WESTERN RAILWAY COMPANY

Mr. R. F. Dunlap elected December 31, 1969 succeeding Mr. W. S. Clement, resigned.

PENN CENTRAL TRANSPORTATION COMPANY

Mr. K. E. Smith elected May 13, 1969 succeeding Mr. H. C. Kohout, resigned.

EXECUTIVE COMMITTEE

J. C. Davis, Chairman

J. D. Bond
W. J. Dixon

W. N. Ernzen
O. H. Zimmerman

OFFICERS

President and General Manager L. A. EVANS
Vice President and Assistant General Manager. D. R. TURNER
Secretary and Treasurer J. R. EKHOLM
General Counsel R. F. KOPROSKE
Controller. W. J. CASSIDY
Assistant Secretary and Assistant Treasurer J. CHESTER

ANNUAL MEETING
SECOND TUESDAY IN MAY

JUN 9 1970 AB 2

GENERAL REMARKS

Chicago, May 12, 1970

To the Stockholders of
The Belt Railway Company of Chicago

The Board of Directors herewith submits its report of operations for the year ended December 31, 1969.

OPERATING REVENUES:

Total operating revenues for the year were \$12,751,541 compared with \$10,185,696 in 1968, an increase of \$2,565,845, or 25.2 per cent. Total intermediate cars and local loaded cars and local loaded cars handled in Belt Separate Operation comprise the principal source of operating revenue. Intermediate cars handled increased 72,294, or 24.1 per cent; local loaded cars handled increased 59,063, or 19.3 per cent, and the average revenue per local loaded car handled increased \$2.46, or 6.5 per cent. The increases in cars handled in Belt Separate Operation and operating revenues in 1969 reflect the adverse effect of the 101 day strike of switchmen which ended on November 7, 1968.

Demurrage charges assessed various industries increased \$12,406, or 1.9 per cent.

Direct deliveries by owner lines and other connections increased 11,180 cars, or 1.4 per cent, and were a contributory factor in holding down further operating revenue increase.

OPERATING EXPENSES:

Total operating expenses in 1969, which include some \$600,000 in additional crew cost (third man on crew), were \$14,531,772 compared with \$11,097,377 in 1968, an increase of \$3,434,395, or 30.9 per cent; higher wage rates amounted to \$700,400. Operating ratio of 92.01 compares with 88.96 in 1968.

MAINTENANCE OF WAY AND STRUCTURES:

Gross Maintenance of Way and Structures expense increased \$463,726, or 24.1 per cent; that portion chargeable to Belt Railway Separate Operation increased \$337,050, or 24.6 per cent, compared with the previous year, reflecting decreased charges in 1968 as a result of the 101 day strike period and increases in Accounts, "Signals and Interlockers" due to replacement of one car retarder unit in "A" Class Yard, Clearing, and "Right-of-Way Expenses" due to raising of B&OCT bridge over Argo connection to CPC International to permit passage of Hi Cube cars. Higher wage rates amounted to \$62,114. Operating ratio of 13.38 compares with 13.44 in 1968.

Rail replacements in 1969 were 377 gross tons of new and 468 gross tons of secondhand rail, compared with renewal of 269 gross tons of new and 714 gross tons of secondhand rail in 1968.

There were 10,188 crossties, 130,292 feet B.M. switch ties, and 556 bridge ties installed during the year, compared with 7,640 crossties, 91,916 feet B.M. switch ties, and 608 bridge ties placed in 1968.

MAINTENANCE OF EQUIPMENT:

Gross Maintenance of Equipment expense increased \$292,552, or 21.5 per cent; that portion chargeable to Belt Railway Separate Operation increased \$232,904, or 19.0 per cent, principally due to increases in Accounts "Other Locomotive-Repairs" and "Freight-train cars-Repairs," reflecting the decreased charges to these accounts as a result of the 101 day strike in 1968. Higher wage rates amounted to \$48,699. Operating ratio of 11.42 compares with 12.01 in 1968.

TRANSPORTATION:

Gross Transportation expense increased \$2,127,465, or 31.3 per cent; that portion chargeable to Belt Railway Separate Operation increased \$1,713,711, or 30.2 per cent, reflecting the decreased charges 1968 as a result of the 101 day strike period, also the expense of the third man on the crew in 1969. Higher wage rates increased Transportation expense \$541,937. Operating ratio of 57.95 compares with 55.72 in 1968.

GENERAL:

Gross General expense increased \$543,597, or 53.9 per cent; that portion chargeable to Belt Railway Separate Operation increased \$381,650, or 48.7 per cent, principally Law expense in connection with securing tax refund, years 1957 and 1958. Higher wage rates amounted to \$47,649. Operating ratio of 9.14 compares with 7.70 in 1968.

RAILWAY TAX ACCRUALS:

Decrease of \$1,858 is due principally to general property tax refund, years 1957-1958, less increase in Railroad Retirement Tax and payment of Income Tax deficiency, years 1962-1966.

JOINT FACILITY RENT INCOME:

Increase of \$848,520 is due to decrease in Belt Railway Company net related terminal income applied to reduce owner lines' working expenses and Belt Separate Operation loss apportioned owner lines, less decrease in owner lines' proportion of rentals, taxes, etc.

HIRE OF FREIGHT CARS:

Decrease of \$288,082 is due principally to per diem strike reclaim received in 1969 as a result of the 101 day strike in 1968.

WAGE AND LABOR DEVELOPMENTS:

NATIONAL ISSUES

At the beginning of 1969 notices for wage increases and rules changes were still pending for enginemen, signalmen and the shop crafts.

On March 10, 1969 the Brotherhood of Locomotive Engineers and the railroads made an agreement providing for wage increases of 5% July 1, 1968; 2% January 1, 1969; and 3% July 1, 1969.

On April 20, 1969 an agreement was made with the Signalmen providing for increases of 22 cents per hour for mechanics and higher rated positions and 9 cents per hour for the lower rated positions, plus a general increase of 3.5% effective July 1, 1968; a 2% increase January 1, 1969; and a 3% increase July 1, 1969.

On December 4, 1969 the railroads and the metal crafts union of the Shop Crafts reached agreement, subject to member ratification, on the wage dispute that very nearly shut down the railroad industry and resulted in a Presidential fact-finding board. The sheet metal workers failed to ratify the contract and negotiations continued into the year 1970.

New wage demands for all crafts were served during the year, including the shop crafts who had not settled their last notice. Local negotiations were completed on the property and referred to conference committee for handling on a national basis.

LOCAL ISSUES

The crew consist issue that caused the 101 day strike in 1968 was settled by an agreement signed April 4, 1969, to become fully effective July 3, 1969.

RAIL TO WATER TRANSFER OPERATION:

Rail to Water transfer operation commenced March 31 and ended December 21, 1969. In 1968 the season started March 19 and terminated December 21 with major interruption due to trainmen 101 day strike. Coal tonnage handled over the facility during 1969 totaled 6,216,411 compared with 4,622,990 tons in the previous year, an increase of 1,593,421, or 34.5 per cent. Unit train coal handling of lake cargo consignments, introduced for the first time in 1964, constituted 94.1 per cent of the total coal tonnage handled during 1969.

ADDITIONS AND BETTERMENTS:

Additions and Betterments are indicated in detail on pages 10 and 11.

BELT INDUSTRIES:

During the year eighteen new industries were located and thirty vacated, compared with twelve located and fifteen vacated in 1968.

Due to gradual decline over the years in livestock movement and its unprofitable operation, the Clearing Feed Yards, in operation since 1933, were closed on July 15, 1969.

Detailed statements of the accounts of the company will be found in the following tables.

The Board again records appreciation of the cooperation and contributions of the employees and managerial staff during the year.

Respectfully submitted by order of the Board of Directors.

L. A. EVANS

President and General Manager

INCOME STATEMENT

For the Year ended December 31, 1969, compared with the
Year ended December 31, 1968

	1969	1968	Increase or (Decrease)
RAILWAY OPERATING REVENUES:			
Intermediate switching	\$4,310,785	\$3,405,109	\$ 905,676
Local switching	7,684,246	6,053,555	1,630,691
Demurrage	670,154	657,748	12,406
Rents of buildings and other property.	11	576	(565)
Miscellaneous	86,345	68,708	17,637
Joint facility - Cr.			
Total railway operating revenues	\$12,751,541	\$10,185,696	\$2,565,845
RAILWAY OPERATING EXPENSES:			
Maintenance of way and structures	\$ 1,706,154	\$ 1,369,104	\$ 337,050
Maintenance of equipment	1,456,801	1,223,897	232,904
Traffic	14,769	9,325	5,444
Transportation-Rail line	7,389,753	5,676,042	1,713,711
General	1,164,877	783,227	381,650
Total railway operating expenses. (Detail pages 13-16)	\$11,732,354	\$ 9,061,595	\$2,670,759
Net revenue from railway operations	\$ 1,019,187	\$ 1,124,101	\$ (104,914)
Operating ratio	92.01	88.96	3.05
RAILWAY TAX ACCRUALS:			
General property	\$ (184,758)	\$ 527,038	\$ (711,796)
Federal Income	460,171	--	460,171
Retirement	817,838	568,707	249,131
Unemployment	205,486	174,016	31,470
Other	12,022	42,856	(30,834)
Total railway tax accruals	\$ 1,310,759	\$ 1,312,617	\$ (1,858)
Railway operating income	\$ (291,572)	\$ (188,516)	\$ (103,056)
RENT INCOME:			
Rent from locomotives.	\$ 16,431	\$ 30,648	\$ (14,217)
Rent from work equipment	2,190	2,326	(136)
Joint facility rent income	2,307,070	1,458,550	848,520
Total rent income	\$ 2,325,691	\$ 1,491,524	\$ 834,167
RENTS PAYABLE:			
Hire of freight cars-Debit balance	\$ 750,013	\$ 1,038,095	\$ (288,082)
Rent for locomotives		52	(52)
Rent for work equipment.		428	(428)
Joint facility rents	129,941	105,587	24,354
Total rents payable	\$ 879,954	\$ 1,144,162	\$ (264,208)
Net rents	\$ 1,445,737	\$ 347,362	\$1,098,375
Net railway operating income	\$ 1,154,165	\$ 158,846	\$ 995,319

INCOME STATEMENT - CONCLUDED

For the Year ended December 31, 1969, compared with the
Year ended December 31, 1968

	1969	1968	Increase or (Decrease)
OTHER INCOME:			
Income from lease of road and equipment	\$ 25,279	\$ 33,262	\$ (7,983)
Miscellaneous rent income	227,953	216,947	11,006
Income from non-operating property . . .	19,780	43,858	(24,078)
Interest income	54,319	46,427	7,892
Income from sinking and other reserve funds	50,946	38,341	12,605
Miscellaneous income	502,531	272,736	229,795
Total other income	\$ 880,808	\$ 651,571	\$ 229,237
Total income	\$2,034,973	\$ 810,417	\$1,224,556
MISCELLANEOUS DEDUCTIONS FROM INCOME:			
Miscellaneous rents	\$ 289	\$ 1,645	\$ (1,356)
Miscellaneous tax accruals	25,005	66,845	(41,840)
Miscellaneous income charges	109,589	47,368	62,221
Total miscellaneous deductions	\$ 134,883	\$ 115,858	\$ 19,025
Income available for fixed charges . .	\$1,900,090	\$ 694,559	\$1,205,531
FIXED CHARGES:			
Rent for leased roads and equipment . .	\$ 69,439	\$ 80,167	\$ (10,728)
Interest on funded debt	1,738,645	1,733,047	5,598
Amortization of discount on funded debt .	4,972	9,336	(4,364)
Total fixed charges	\$1,813,056	\$1,822,550	\$ (9,494)
Income after fixed charges	\$ 87,034	\$ (1,127,991)	\$1,215,025
EXTRAORDINARY AND PRIOR PERIOD ITEMS:			
Extraordinary items (net)	--	\$1,197,991	\$ (1,197,991)
Federal income taxes on extraordinary & prior items	--	44,239	(44,239)
Total extraordinary & prior period items	--	\$1,242,230	\$ (1,242,230)
Net income transferred to Retained Income	\$ 87,034	\$ 114,239	\$ (27,205)

RETAINED INCOME-UNAPPROPRIATED

To December 31, 1969

Credit balance at beginning of year	\$ 1,544,290
Additions	--
Credit balance transferred from income.	87,034
Credit balance December 31, 1969	\$ 1,631,324

COMPARATIVE GENERAL BALANCE SHEET ASSETS

	December 31, 1969	December 31, 1968	Increase or (Decrease)
CURRENT ASSETS:			
Cash	\$ 191,404	\$ 280,430	\$ (89,026)
Temporary cash investments	1,096,478	417	1,096,061
Special deposits	277	879	(602)
Traffic and car-service balances-Dr.	580,018	936,532	(356,514)
Miscellaneous accounts receivable.	1,941,948	4,094,233	(2,152,285)
Interest and dividends receivable.	217	245	(28)
Accrued accounts receivable	728,684	518,003	210,681
Working fund advances	1,695	1,695	--
Prepayments	56,610	37,588	19,022
Material and supplies	535,084	585,765	(50,681)
Total current assets	\$ 5,132,415	\$ 6,455,787	\$(1,323,372)
SPECIAL FUNDS:			
Sinking funds.	\$ --	\$ --	\$ --
Capital and other reserve funds	1,372,976	741,154	631,822
Insurance and other funds	12,769	12,769	--
Total special funds	\$ 1,385,745	\$ 753,923	\$ 631,822
PROPERTIES:			
Road (See pages 10 and 11)	\$30,947,836	\$31,021,526	\$ (73,690)
Equipment (See pages 11 and 18)	6,806,379	6,797,500	8,879
Construction work in progress	92,888	51,951	40,937
Improvements on leased property	30,347	29,017	1,330
Total transportation property	\$37,877,450	\$37,899,994	\$ (22,544)
Accrued depreciation - Road and equipment	(7,104,549)	(6,679,125)	(425,424)
Total transportation property less recorded depreciation and amortization	\$30,772,901	\$31,220,869	\$ (447,968)
Miscellaneous physical property.	6,875,425	7,125,199	(249,774)
Total properties less recorded depreciation and amortization.	\$37,648,326	\$38,346,068	\$ (697,742)
OTHER ASSETS AND DEFERRED CHARGES:			
Other assets	\$ 4,179	\$ 7,697	\$ (3,518)
Unamortized discount on long term debt	88,227	93,198	(4,971)
Other deferred charges	187,330	168,212	19,118
Total other assets and deferred charges	\$ 279,736	\$ 269,107	\$ 10,629
Total assets	\$44,446,222	\$45,824,885	\$(1,378,663)

DECEMBER 31, 1969 AND DECEMBER 31, 1968
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1969	December 31, 1968	Increase or (Decrease)
CURRENT LIABILITIES:			
Audited accounts and wages payable. .	\$ 788,904	\$ 2,533,397	\$(1,744,493)
Miscellaneous accounts payable. . . .	127,345	46,997	80,348
Interest matured unpaid	277	879	(602)
Unmatured interest accrued	569,354	578,563	(9,209)
Accrued accounts payable.	126,746	59,836	66,910
Federal income taxes accrued.	--	--	--
Other taxes accrued	845,980	688,525	157,455
Other current liabilities	1,392	12,315	(10,923)
Total current liabilities	\$ 2,459,998	\$ 3,920,512	\$(1,460,514)
LONG-TERM DEBT DUE WITHIN ONE YEAR:			
Equipment obligations and other debt	\$ 74,375	\$ 61,875	\$ 12,500
LONG-TERM DEBT:			
First Mortgage 4-5/8% Sinking Fund Bonds, Series A, due August 15, 1987.	\$32,022,000	\$32,771,000	\$ (749,000)
Equipment obligations	535,000	621,875	(86,875)
Amounts payable to affiliated companies	3,880,776	3,322,683	558,093
Total long-term debt.	\$36,437,776	\$36,715,558	\$ (277,782)
OTHER LIABILITIES AND DEFERRED CREDITS:			
Other liabilities	\$ 107,520	\$ 107,707	\$ (187)
Other deferred credits.	385,229	364,943	20,286
Total other liabilities and deferred credits	\$ 492,749	\$ 472,650	\$ 20,099
SHAREHOLDERS' EQUITY:			
Capital Stock issued. . \$3,120,000 (A) Less held by or for company NONE	\$ 3,120,000	\$ 2,880,000	\$ 240,000
Capital surplus:			
Paid-in surplus	230,000	230,000	--
Retained income - Unappropriated. . .	1,631,324	1,544,290	87,034
Total shareholders' equity.	\$ 4,981,324	\$ 4,654,290	\$ 327,034
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$44,446,222	\$45,824,885	\$(1,378,663)

(A) Owned one-thirteenth each - AT&SF, C&O, C&EI, CB&Q, CRI&P, Erie Lackawanna, GTW, IC, L&N, Monon, N&W, Penn Central, Soo Line.

ROAD AND EQUIPMENT PROPERTY

	Balance December, 31, 1968	1969		Balance December 31, 1969
		Additions & Betterments	Retire- ments	
ROAD:				
Engineering	\$ 673,866	\$ --	\$ 1,713	\$ 672,153
Land for transportation purposes .	10,925,513	40,397	210,363	10,755,547
Grading.	4,397,205	--	201	4,397,004
Bridges, trestles and culverts . .	1,918,245	--	--	1,918,245
Ties	1,029,096	2,060	1,807	1,029,349
Rails	2,574,284	3,738	4,302	2,573,720
Other track material	2,142,225	7,076	5,941	2,143,360
Ballast	588,706	7	206	588,507
Track laying and surfacing	1,035,419	2,172	1,980	1,035,611
Fences, snowsheds and signs. . . .	6,051	--	--	6,051
Station and office buildings	1,180,518	43,906	10,817	1,213,607
Roadway buildings	76,250	2,110	--	78,360
Water stations	57,442	2,419	3,846	56,015
Fuel stations.	65,376	--	--	65,376
Shops and engine houses	679,688	2,173	--	681,861
Wharves and docks	40,369	--	--	40,369
Communication systems.	211,013	31,287	3,759	233,541
Signals and Interlockers	1,499,672	3,969	15,135	1,488,506
Power plants	50,495	--	--	50,495
Power-transmission systems	109,621	15,253	565	124,309
Miscellaneous structures	66,884	--	--	66,884
Roadway machines	341,814	13,399	6,814	348,399
Carried forward.	\$29,669,752	\$169,966	\$267,449	\$29,572,269

ROAD AND EQUIPMENT PROPERTY - CONCLUDED

	Balance December 31, 1968	1969		Balance December 31, 1969
		Additions & Betterments	Retire- ments	
ROAD: Brought Forward	\$29,669,752	\$169,966	\$267,449	\$29,572,269
Roadway small tools	13,667	--	--	13,667
Public improvements - construction	700,427	337	390	700,374
Other expenditures - Road	524	--	--	524
Shop machinery	221,164	7,203	1,332	227,035
Power plant machinery	415,992	17,975	--	433,967
General expenditures Account 71 & 77	--	--	--	--
Interest during construction. . .	--	--	--	--
Total, Road.	\$31,021,526	\$195,481	\$269,171	\$30,947,836
EQUIPMENT:				
Other locomotives	\$ 6,272,633	\$ --	\$ 130	\$ 6,272,503
Freight-train cars	243,992	--	--	243,992
Work equipment	128,463	--	--	128,463
Miscellaneous equipment	152,412	25,635	16,626	161,421
Total Equipment	\$ 6,797,500	\$ 25,635	\$ 16,756	\$ 6,806,379
TOTAL	\$37,819,026	\$221,116	\$285,927	\$37,754,215

FUNDED DEBT

For the Year Ended December 31, 1969

First Mortgage Bonds issued

August 15, 1962 due August 15,

1987 Bankers Trust Company,

New York, Trustee

Total Amount authorized \$75,000,000

Total Issued August 15, 1962-\$37,250,000

4-5/8% Sinking Fund Bonds Series

"A" due August 15, 1987

For purchase of property formerly

leased from Chicago and Western

Indiana Railroad Company August 15, 1962 \$36,662,852

Proceeds expended for financing expenses also for

additions and betterments subsequent to August 15, 1962 587,148

Total issued \$37,250,000

Less: Redeemed and cancelled 5,228,000

Total Outstanding at December 31, 1969 \$32,022,000

OPERATING EXPENSES

For the Year ended December 31, 1969, compared with the
Year ended December 31, 1968

	1969	1968	Increase or (Decrease)
MAINTENANCE OF WAY AND STRUCTURES:			
Superintendence	\$ 203,514	\$ 168,196	\$ 35,318
Roadway maintenance	112,381	129,065	(16,684)
Bridges, trestles, and culverts	66,878	94,039	(27,161)
Ties	96,339	71,859	24,480
Rails	59,294	44,680	14,614
Other track material	117,161	77,380	39,781
Ballast	27,227	21,588	5,639
Track laying and surfacing	448,969	362,251	86,718
Fences, snowsheds, and signs	1,499	2,638	(1,139)
Station and office buildings	93,684	68,194	25,490
Roadway buildings	10,031	12,823	(2,792)
Water stations	30,801	1,117	29,684
Fuel stations	2,570	1,000	1,570
Shops and enginehouses	49,741	38,047	11,694
Communication systems	67,703	47,135	20,568
Signals and interlockers	305,204	290,580	14,624
Power plants	14,604	4,880	9,724
Power-transmission systems	6,051	1,725	4,326
Miscellaneous structures	5,825	5,530	295
Road property - Depreciation (Leased)	139	139	--
Road property - Depreciation (Owned)	166,028	162,525	3,503
Retirements - Road	(224)	10,172	(10,396)
Roadway machines	24,649	17,801	6,848
Dismantling retired road property	6,486	16,139	(9,653)
Small tools and supplies	34,907	30,417	4,490
Removing snow, ice, and sand	74,600	58,022	16,578
Public improvements - Maintenance	25,275	26,529	(1,254)
Injuries to persons	26,344	16,535	9,809
Insurance	27,800	31,624	(3,824)
Stationery and printing	2,934	2,222	712
Employees health and welfare benefits	51,310	47,310	4,000
Equalization-way and structures	(142)	--	(142)
Right-of-way expenses	155,565	--	155,565
Maintaining joint tracks, yards and other facilities - Dr.	65,610	52,821	12,789
Other expenses	10,507	12,555	(2,048)
Gross total	\$2,391,264	\$1,927,538	\$463,726
Maintaining joint tracks, yards and other facilities - Cr.	685,110	558,434	126,676
Net - Belt Railway - Separate operation	\$1,706,154	\$1,369,104	\$337,050
Ratio to operating revenues	13.38	13.44	(.06)

OPERATING EXPENSES • CONTINUED

For the year ended December 31, 1969, compared with the
Year ended December 31, 1968

	1969	1968	Increase or (Decrease)
MAINTENANCE OF EQUIPMENT:			
Superintendence	\$ 77,466	\$ 66,747	\$ 10,719
Shop machinery	2,794	3,921	(1,127)
Power-plant machinery	19,732	15,627	4,105
Shop and power plant machinery - Depreciation (Owned)	15,320	13,023	2,297
Dismantling ret. shop & power plant machinery	4,076	--	4,076
Other locomotives - Repairs	618,275	513,997	104,278
Freight-train cars - Repairs	376,624	274,358	102,266
Work equipment - Repairs	47,997	12,223	35,774
Miscellaneous equipment - Repairs	27,142	26,970	172
Dismantling retired equipment (Owned)	--	546	(546)
Retirement-Equipment	--	4,455	(4,455)
Equipment - Depreciation (Owned)	277,323	274,246	3,077
Injuries to persons	9,125	7,769	1,356
Insurance	40,299	38,594	1,705
Stationery and printing	3,203	2,209	994
Employees health and welfare benefits	36,247	29,491	6,756
Joint maintenance of equipment expenses - Dr.	94,683	76,374	18,309
Other expenses	5,342	2,546	2,796
Gross total	\$1,655,648	\$1,363,096	\$292,552
Joint maintenance of equipment expenses - Cr.	198,847	139,199	59,648
Net - Belt Railway - Separate operation	\$1,456,801	\$1,223,897	\$232,904
Ratio to operating revenues	11.42	12.01	(.59)
TRAFFIC:			
Superintendence	\$ 1	\$ 1	\$ --
Advertising	11,652	5,912	5,740
Stationery and printing	5,920	4,609	1,311
Employees health and welfare benefits	150	146	4
Gross total	\$ 17,723	\$ 10,668	\$ 7,055
Charged to Owner Line operation	2,954	1,343	1,611
Net-- Belt Railway - Separate operation	\$ 14,769	\$ 9,325	\$ 5,444
Ratio to operating revenues	.12	.09	.03

OPERATING EXPENSES • CONTINUED

For the Year ended December 31, 1969, compared with the
Year ended December 31, 1968

	1969	1968	Increase or (Decrease)
TRANSPORTATION - RAIL LINE:			
Superintendence	\$ 370,969	\$ 309,176	\$ 61,793
Dispatching trains	98,571	78,602	19,969
Station employees	746,731	575,859	170,872
Weighing, inspection, and demurrage bureaus	4,045	4,829	(784)
Station supplies and expenses	32,791	27,099	5,692
Yardmasters and yard clerks	624,342	514,447	109,895
Yard conductors and brakemen	2,300,193	1,506,138	794,055
Yard switch and signal tenders	491,206	388,772	102,434
Yard enginemen	1,746,349	1,182,351	563,998
Yard switching fuel	300,013	227,194	72,819
Water for yard locomotives	1,163	3,401	(2,238)
Lubricants for yard locomotives	44,176	32,988	11,188
Other supplies for yard locomotives	35,243	25,903	9,340
Enginehouse expense - Yard	203,896	162,723	41,173
Yard supplies and expenses	688,117	556,042	132,075
Crossing protection	1,821	2,284	(463)
Communication system operation	31,303	32,475	(1,172)
Employees health and welfare benefits	268,696	241,516	27,180
Stationery and printing	50,288	36,274	14,014
Other expenses	25,003	111,396	(86,393)
Insurance	37,177	45,823	(8,646)
Clearing wrecks	74,786	46,435	28,351
Damage to property	7,057	22,360	(15,303)
Loss and damage - Freight	117,793	153,310	(35,517)
Injuries to persons	194,172	163,434	30,738
Operating joint yards and terminals - Dr.	418,370	335,975	82,395
Gross total	\$8,914,271	\$6,786,806	\$2,127,465
Operating joint yards and terminals - Cr.	1,524,518	1,110,764	413,754
Net - Belt Railway - Separate operation	\$7,389,753	\$5,676,042	\$1,713,711
Ratio to operating revenues	57.95	55.72	2.23

OPERATING EXPENSES • CONCLUDED

For the Year ended December 31, 1969, compared with the
Year ended December 31, 1968

	1969	1968	Increase or (Decrease)
GENERAL:			
Salaries and expenses of general officers	\$ 266,746	\$ 266,519	\$ 227
Salaries and expenses of clerks and attendants	541,683	408,916	132,767
General office supplies and expenses	164,638	74,771	89,867
Law expenses	361,537	66,060	295,477
Insurance	1,522	1,672	(150)
Employees health and welfare benefits	30,243	25,634	4,609
Pensions	81,665	75,227	6,438
Stationery and printing.	44,737	31,960	12,777
Other expenses	52,010	54,700	(2,690)
General joint facilities - Dr.	8,085	3,810	4,275
Gross total.	\$ 1,552,866	\$ 1,009,269	\$ 543,597
General joint facilities - Cr.	387,989	226,042	161,947
Net - Belt Railway - Separate operation	\$ 1,164,877	\$ 783,227	\$ 381,650
Ratio to operating revenues.	9.14	7.70	1.44
Total gross	\$14,531,772	\$11,097,377	\$3,434,395
Total deductions	2,799,418	2,035,782	763,636
Total operating expenses - Belt Railway - Separate operation	\$11,732,354	\$ 9,061,595	\$2,670,759
Ratio to operating revenues.	92.01	88.96	3.05
Operating revenue per car.	\$ 17.307	\$ 16.824	\$.483
Operating expense per car.	\$ 15.924	\$ 14.968	\$.956

CARS HANDLED

Cars Handled by The Belt Railway Company of Chicago in its "Separate Operation"	1969		1968		Increase or (Decrease) Percent
	Number	Percent	Number	Percent	
INTERCHANGE:					
Loaded cars	208,924	28.36	160,002	26.43	30.58
Empty cars.	163,257	22.16	139,885	23.11	16.71
LOCAL:					
Loaded cars	190,844	25.90	160,155	26.45	19.16
Empty cars.	173,742	23.58	145,368	24.01	19.52
Total	736,767	100.00	605,410	100.00	21.70
TOTAL:					
Loaded cars	399,768	54.26	320,157	52.88	24.87
Empty cars.	336,999	45.74	285,253	47.12	18.14
Total	736,767	100.00	605,410	100.00	21.70
Cars interchanged directly between Owner Roads at Clearing and other yards, being handled by The Belt Railway through those yards	288,929		223,660		29.18
Cars handled by Owner Lines in direct movement over Belt Railway Co. of Chicago.	801,497		790,317		1.41
Total cars handled.	1,827,193		1,619,387		12.83

The following statement shows the number of cars handled by The Belt Railway Company of Chicago in its "Separate Operation" annually during the past five years.

Year	Interchange		Local		Total Cars
	Loaded	Empty	Loaded	Empty	
1965.	251,157	173,723	281,556	258,992	965,428
1966.	256,325	186,403	273,581	245,057	961,366
1967.	248,136	205,550	269,859	247,343	970,888
1968.	160,002	139,885	160,155	145,368	605,410
1969.	208,924	163,257	190,844	173,742	736,767

The following statement shows the number of cars interchanged during the last five years directly between Owner Roads at Clearing and other yards, being handled by The Belt Railway through those yards, also cars handled by Owner Lines in direct movement over The Belt Railway Company of Chicago.

Year	Number of Cars
1965	988,325
1966	1,031,480
1967	1,054,852
1968	1,013,977
1969	1,090,426

EQUIPMENT OWNED

	Number on Hand Dec. 31 1968	Changes During Year		Number on Hand Dec. 31 1969
		Added	Retired	
Locomotives:				
Diesel.	45			45
Freight-train Cars:				
Caboose	30			30
Box	1			1
Total	31			31
Work Equipment:				
Flat cars	4			4
Gondola cars.	2			2
Truck car	1			1
Refrigerator car.	1			1
Instruction car	1			1
Wrecking derrick.	1			1
Tool cars	1	1		2
Jet snow blower	1			1
Commissary cars	1	1		2
Jordan spreader	1			1
Burro crane	1			1
Total	15	2		17
Miscellaneous Equipment:				
Automobile trucks	23	1	1	23
Station wagon	1	1	1	1
Automobile trailers	3	1		4
4 Door sedans	6	3	3	6
Carrall.	1			1
Total	34	6	5	35

MILEAGE OF TRACK OPERATED

	1969				
	First Main	Second Main	Other Mains	Yard Tracks and Sidings	Total
A - Owned by The Belt Railway Co.: Cragin to South Chicago including Clearing Yard	27.16	25.60	-	300.79	353.55
B - Leased from other companies: Chicago, Peoria & Western (Argo) . .	-	-	-	.52	.52
Clearing Industrial District (North)	-	-	-	12.88	12.88
Clearing Industrial District (South)	-	-	-	3.57	3.57
Total	-	-	-	16.97	16.97
C - Operated under trackage rights from other companies: C. & W. I. R. R. Co. 80th St. to Pullman Jct.	3.56	3.47	-	.03	7.06
Pullman Jct. to South Deering . .	2.68	2.68	2.54	.38	8.28
South Deering to Burnham.	4.76	4.76	.67	3.83	14.02
C. & I. & P. Ry. - South Chicago . .	-	-	-	1.57	1.57
Penn Central - South Chicago. . . .	-	-	-	.09	.09
I. H. B. R. R. - 55th to Elsdon	1.41	1.40	-	-	2.81
B. & O. C. T. R. R. - Clearing to Proviso	9.05	8.09	-	13.70	30.84
B. & O. C. T. R. R. Southwest Division (Cicero District)	-	-	-	6.08	6.08
N & W Railway - Ford Yd. & Lead . .	-	-	-	1.26	1.26
Calumet Western R. R. - 112th to 116th	.51	-	-	-	.51
Penn Central & I. H. B. R. R. (Joint) 116th to 117th.	.11	-	-	-	.11
Chicago, West Pullman & Southern - South Chicago.	-	-	-	.09	.09
Chesapeake & Ohio Ry. Burnham	-	-	-	.17	.17
Total	22.08	20.40	3.21	27.20	72.89
Total Miles Operated	49.24	46.00	3.21	344.96	443.41

*Trackage Rights Not Exercised.

YARD TRACKS OWNED BY THE BELT RAILWAY CO. BUT NOT OPERATED

(Not included in above mileage)

Leased To	Location	Miles of Road
C. W. P. & S. R. R.	Warner Branch	1.46
C. & O. Ry. Co.	Rockwell St. Yard	10.91
Total		12.37

TRACAGE RIGHTS GRANTED OTHER COMPANIES

Company	Location	Miles of Road
I. H. B. R. R.	Elsdon Branch	1.51
E. J. & E. Ry.	South Chicago to Mill Gate & South Deering . .	3.40
Chicago Short Line	South Chicago to South Deering.	2.90
Total		7.81

REPORT OF CONTROLLER

The statements included in this report have been prepared from records maintained under my supervision and to the best of my knowledge and belief set out the amounts shown in accordance with principles and methods of accounting prescribed or authorized by the Interstate Commerce Commission.

W. J. CASSIDY

Controller

Chicago, Illinois

March 15, 1970